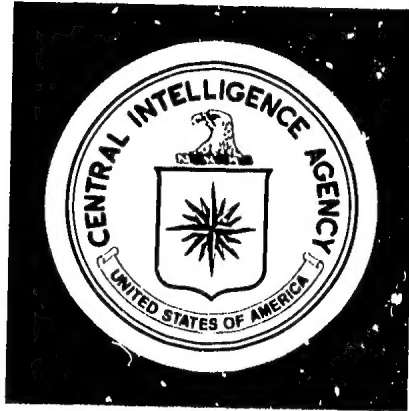


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Economic Intelligence Weekly

Secret

CIA No. 8136/74
31 July 1974

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Note: Comments and queries regarding this publication are welcomed.

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ECONOMIC INTELLIGENCE WEEKLY**RECENT DEVELOPMENTS**

Prospects for the 1974 world wheat crop have dimmed, according to latest estimates by USDA and the International Wheat Council. The USDA estimate is now 369 million tons, compared with an earlier estimate of 375 million tons. Lower production will restrict the rebuilding of stocks and will strengthen prices. A look at the crop prospects in Eastern Europe is included in this issue.

Gold soared \$8.50 an ounce Monday to a six-week high of \$157.50 as uncertainty about the US political scene pervaded the market. Exchange markets were calm, however, and the dollar moved upward with the release of better-than-expected US trade figures for June.

In the European Community:

- Britain's labor government has opted for a mildly reflationary fiscal policy to counter rising unemployment and sluggish growth. New cuts in VAT rates and other measures will stimulate domestic spending and give some immediate cosmetic improvement in the price statistics.
- Italy's balance-of-payments deficit dropped to \$583 million in June, the lowest monthly deficit so far this year. Rome is still seeking financing to cover its deficit for the remainder of the year. Some relief may be forthcoming from the Shah of Iran, who is considering a loan similar to those extended to the United Kingdom and France. Italy's austerity program is still under fire by the major trade unions.
- France's real GNP growth in the first half of 1974 was probably about 5% at an annual rate; the most recent OECD forecast for the same period was 4.5%. The foreign sector provided a key stimulus, with the volume of exports up at an annual rate of 29% and imports up only 18%.
- West Germany recorded its smallest trade surplus (\$1.5 billion) of the year in June, primarily as a result of a decline in export volume.

Japan's economy remains in the doldrums. Industrial production dropped 2.5% in June, and inventories continued to mount. The new finance minister faces strong pressure to relax Tokyo's tough anti-inflation program.

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Copper, lead, and zinc prices moved up over the past week. Copper prices on the LME rose 10 cents a pound after dropping to 82.8 cents a pound early last week on news of the Kennecott strike settlement. Both US and world copper stocks are above last year's levels, and, barring unexpected lengthy negotiations with the remaining US producers, no supply squeeze is currently anticipated. Zinc and lead rose 7 and 3 cents a pound, respectively.

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Articles

EC SOYBEAN CAP: A STEP TO REDUCE DEPENDENCE ON US SUPPLIES

The EC has taken the first positive step toward reducing its near-total dependence on foreign sources for soybeans, 85% of which comes from the United States. Adoption of a Common Agricultural Policy for soybeans by the EC Agricultural Ministers at their July meeting culminates a discussion that gained impetus from the US ban on soybean exports a year ago.

Commitments under GATT prevent the EC from applying to soybeans the system of variable import levies used for other CAP-supported agricultural products. Instead, output will be encouraged by a direct subsidy. A support price will be set each year by the Agricultural Ministers, and, if the market price falls below this level, the EC Agricultural Fund will make up the difference by direct payments to farmers.

At any reasonably attractive support price, the area shifted to soybean cultivation almost surely will exceed the 250,000 acres - yielding 6-1/4 million bushels - predicted by French officials. In recent years, only 10,000 acres have been devoted to soybean growing in EC countries - mainly France and Italy.

EC Soybean and Corn Supplies, 1972

	Soybeans		Corn	
	Million Bushels	Percent of Total	Million Bushels	Percent of Total
Total	209.7	100.0	899.0	100.0
Domestic production	0.3	0.1	560.3	62.3
Imports	209.4	99.9	338.7	37.7
Of which:				
United States	178.3	85.0	220.4	24.5
Brazil	27.4	13.1
Argentina	89.1	9.9

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Most of the 7 million acres currently sown to corn in southern France and northern Italy can be planted in soybeans. Based on experience in the United States, which has yields and costs similar to those in Europe, the breakeven point for shifting to soybean production is a soybean-corn price ratio of about 2.3:1. With the current EC support price for corn at \$2.82 per bushel, a support price of more than \$6.50 a bushel is needed to stimulate soybean production. The support price most widely discussed within EC circles is \$7.25.

Under a favorable support price, a large part of the 7 million acres will be shifted eventually to soybeans, either permanently or in rotation with corn. For each million acres shifted, the EC will obtain 25 million bushels of soybeans, one-eighth of its needs. Because of soybean's higher protein content, the shift will allow a substantial reduction – in some combination – of total soybean and corn imports. Whatever the combination, US farmers will be most affected because they typically provide 85% of soybean imports and 65% of corn imports by the EC. The two commodities together accounted for more than \$2 billion of US exports last year.

While the EC countries may not be ready to push for self-sufficiency in high-protein feedstuffs at this time, they clearly desire to reduce their heavy dependence on US supplies. EC Agriculture Commissioner Lardinois has stated that, if the US reimposed soybean export controls, the Community would put into effect a plan to achieve protein self-sufficiency in 10 years.

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USSR: ECONOMY KEEPS ROLLING

Moscow's midyear economic report contained mainly good news for the population and the delegates gathering for the meetings of the Supreme Soviet. Based on the results so far, Soviet GNP should increase by about 5-1/2% in 1974—the second straight year of above-average growth.

	USSR: Percentage Rates of Economic Growth ¹			
	1971	1972	1973	1974 ²
Gross national product	4.5	2.1	7.3	5.6
Agriculture	-0.6	-9.1	16.5	7.3
Industry	5.9	5.0	6.2	6.5
Other	6.1	5.4	4.2	4.3

1. CIA estimates.

2. Projected.

Industry

Civilian industrial production grew by 6.5% in the first half of 1974, compared with the same period in 1973. Production of energy and machinery grew substantially faster than in the first half of 1973. In the consumer goods sector, textiles and leather footwear scarcely met the plan, but production of some highly prized

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durables--automobiles, furniture, and vacuum cleaners--continued to grow rapidly. The food industry performed well, with meat production rising by 12% compared with the first half of 1973 and vegetable oil output up 50%.

Agriculture

The promise of a good year in agriculture accompanied the reports of strong industrial performance. At midyear the number of cattle was up 3%; hogs, 5%; and poultry, 7%. Abundant rainfall has brightened prospects for meeting the 1974 goal of 205.6 million tons of grain.

Foreign Trade

The 20% increase in total trade over the first half of last year results primarily from higher prices for Soviet oil and raw materials. For the year as a whole, exports to hard currency countries are likely to rise more than 50%, to \$7.5 billion; imports are expected to fall from \$6.6 billion to \$6.0 billion because of a reduction in imports of agricultural products.

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EASTERN EUROPE: HIGHER GRAIN IMPORTS IN PROSPECT

East European grain production is now projected at 72 million tons, slightly less than the 1973 crop. To meet food and feed requirements, Eastern Europe may have to import 9 million to 10 million tons of grain in FY75, compared with about 8 million tons in FY74.

During the past two months, heavy rains and cool temperatures have delayed the ripening of small grains in Czechoslovakia, East Germany, Hungary, Poland, and Romania. The wheat harvest is from one to three weeks late in most countries. Minor flood damage has been reported in Czechoslovakia and Hungary. If the weather does not improve in the coming weeks, yields of later harvested grains will fall even more. The delays in harvesting have already jeopardized plans for planting second crops -- mostly corn for silage. In Bulgaria, some grain-producing areas are still suffering from drought, and premature ripening of wheat may have reduced yields.

The northern countries -- Czechoslovakia, East Germany, and Poland -- probably will account for more than 90% of grain imports required in FY75. They would trim purchases, however, if prices of concentrated feeds such as oilcake

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and meals are more attractive or if the increase in livestock herds is curbed. In the south -- normally a grain-exporting region -- Romania faces its second consecutive shortfall in production and will have to restrict exports in FY75. Romania has already received \$31 million in CCC credits for US grain in FY75. Bulgaria is likely to export only a small amount of wheat, if any. Hungary probably can satisfy both its domestic and normal export demands unless recent flooding is more extensive than admitted so far.

The Soviet Union is expected to export 4-1/2 million tons of grain to Eastern Europe in FY75, slightly more than in FY74. The remaining 4-1/2 million to 5-1/2 million tons would have to be purchased from major Western exporters -- the United States, Canada, and the EC. The US share in FY74 was about 1-1/2 million tons out of a total of 3.8 million tons Eastern Europe imported from the West.

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SOVIETS SEEK US MACHINERY FOR TRACTOR PLANT

The USSR intends to rely on Western suppliers, especially the United States, for key production equipment for the new Cheboksary tractor plant. Recently stepped-up negotiations with several US firms involve potential equipment sales of more than \$150 million.

Construction of the Cheboksary Plant for Industrial Tractors, under way since 1972, accelerated during the past year. A large press-welding/assembly building is already under roof, and construction of the steel foundry is proceeding rapidly. Upon completion (scheduled for 1976) the plant will cover 1,800 acres and produce 5,000 or more heavy-duty tracklaying tractors annually, including engines. The Soviets are looking to the West for (1) high-productivity machinery for the plant's steel foundry and (2) completely automated lines for the production of engine and transmission components and for the assembly of tractor bodies and caterpillar tracks.

The Soviet-designed 330- and 500-horsepower tractors will be the largest ever built in the USSR. Even after a decade of development, prototypes continue to show serious design deficiencies; for example, the bulldozer blade assembly does not hold up under normal-load conditions. Soviet officials are concerned that the tractor designs may not be fully debugged by the time the plant is ready for production. They hope to get design assistance from US manufacturers, especially for the 500-hp model.

Heavy-duty industrial tractors of the type to be built at Cheboksary are badly needed in the USSR for mining and construction. The USSR produces only a few industrial tractors as large as 300-hp. Most Soviet-made tractors in industrial use

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are modified agricultural models, which are seriously underpowered for heavy industrial operations. As a result, the USSR has depended heavily on imported Western tractors for use in the extractive industries, land reclamation, and forestry. Since the beginning of 1970, US and Japanese firms have supplied several thousand heavy-duty tracklaying tractors, including pipelayers. [REDACTED]

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CHINA: THE LEADING COMMUNIST CUSTOMER FOR US PRODUCTS

US exports to China in the first half of 1974 reached almost \$520 million, 75% of last year's total exports of \$690 million. If the present pattern continues—as is expected—US exports for 1974 will reach \$1 billion. China should easily surpass the USSR as the leading Communist customer for US exports. In contrast, Chinese exports to the United States in the first half were only \$50 million.

US-China Trade First Half 1974

	Million US \$	
	US Exports	US Imports ¹
Total	519.1	51.8
Cotton	158.7	
Soybeans	108.3	
Corn	93.1	
Aircraft and parts	64.2	
Wheat	44.8	
Scrap metal	11.8	
Tallow	5.7	
Tobacco	2.7	
Other	29.8	

Agricultural exports, which accounted for 80% of US sales in the first half, would have been even higher if China had not suspended imports of wheat infected with TCK smut. This problem has since been resolved, and shipments have resumed. The US trade surplus in 1974 will easily surpass the 1973 surplus of \$625 million.

Prospects for US-China trade in 1975 are less bright. Contracts for delivery of US agricultural commodities in 1975 are thus far well below the 1974 level. The Boeing company has completed delivery of ten 707s, and no additional purchases of US aircraft are under discussion. The only major contract still outstanding covers eight US ammonia plants worth \$200 million. Delivery of these plants will start late this year or early next year and will continue through 1978.

1. Commodity breakdown not available.

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AUSTRALIA: FOREIGN INVESTMENT DOWN SHARPLY

Canberra's toughening stand is substantially reducing new foreign investment. Inflows of direct investment last year totaled \$400 million, a 60% drop from 1972. Portfolio investment fell even more precipitously, from \$700 million to \$140 million.

Australia's Labor Party has steadily tightened controls on foreign investment since taking office in 1972. Major steps include:

- introduction of a strict screening process aimed at preventing foreign takeovers of Australian firms,
- requirement of a 25% interest-free deposit for the life of the loan on long-term foreign borrowing, and
- restrictions on development of energy resources by foreign-owned firms.

Canberra's policies, which have the objective of limiting foreign equity in new mineral projects to 50%, have caused a marked decline in foreign spending on resource development. Last year, new foreign investment in mining fell to only \$80 million, compared with \$430 million the previous year. Uncertainty over government policies is holding up several major projects, including two alumina projects, scheduled to cost \$600 million. Investment in iron ore and coal projects has slowed, and development of large uranium deposits has halted.

Continued discouragement of foreign investment in Australia's mining industry ultimately would have a major adverse impact on world mineral supplies. Since 1968, Australia has accounted for nearly half the increase in world iron ore and bauxite output. The country is also an important world supplier of lead, zinc, tin, and coal and has enough nickel and uranium reserves to become a major exporter.

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INDIAN GRAIN PROSPECTS: NO DISASTER YET

Lagging monsoon rains in India are likely to cause the major fall harvest to drop below last year's output.

The US Embassy tentatively forecasts production of fall grains at 63 million to 66 million tons on the assumption of average rainfall during the last 2-1/2 months of the monsoon season. Rainfall in June and the first half of July was below normal in more than half of the producing areas, with the rains arriving two weeks late in some locations.

Million Tons

1970	69
1971	63
1972	57
1973	67

Grain imports of at least 4 million tons will be required during the next 12 months. New Delhi has asked the USSR for another grain loan. Moscow apparently has delayed any commitments until it can better assess its own situation.

1970-73	
Annual average	64
1974	
Estimated	63-66

Grain stocks and anticipated deliveries appear adequate to take India through the critical preharvest period, July through October. The government holds only a few hundred thousand tons less than at this time last year, and scheduled third-quarter grain imports—principally from the United States—total 1.5 million tons, compared with 300,000 tons during the same period last year.

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Notes

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Indonesia to Buy Communist Fertilizer

The USSR and East European countries have recently agreed to supply Indonesia with 500,000 tons of urea, more than 70% of Indonesia's fertilizer import requirement for 1974/75. Prices will reportedly run \$345-\$350 per ton, and purchases will be paid for in cash. The balance of fertilizer imports will come primarily from Japan, which has been forced to curtail its fertilizer exports.

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Romania to Boost Nitrogen Fertilizer Exports

Bucharest has secured a \$60 million loan from the World Bank to help build a new fertilizer complex that should make Romania one of the world's major exporters of nitrogen fertilizer. The \$200 million project, scheduled for completion at Tecuci in 1978, includes a 420,000-ton-a-year urea plant, a 208,000-ton-a-year diammonium phosphate plant, and intermediate units for production of ammonia, sulfuric acid, and phosphoric acid. In 1972, Romania exported about 300,000 tons of nitrogen; by 1980, exports should reach one million tons.

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INTERNAL ECONOMIC INDICATORS

GNP*

Constant Market Prices

	Latest Quarter	Percent Change from Previous		Average Annual Growth Rate Since		
		Quarter	Month	1970	1 Year Earlier	Previous Quarter
United States	74 II	-0.3		3.6	-1.1	-1.2
Japan	74 I	-5.0		5.8	-3.6	-18.6
West Germany	74 I	1.2		3.5	1.5	5.0
France	73 IV	1.8		5.8	5.7	7.3
United Kingdom	74 I	-3.5		1.9	-4.4	-13.3
Italy	73 IV	1.9		3.7	5.3	7.7
Canada	74 I	1.7		5.4	3.0	7.0

WHOLESALE PRICES

Industrial

	Latest Month	Percent Change from Previous		Average Annual Growth Rate Since		
		Month	Month	1970	1 Year Earlier	3 Months Earlier
United States	Jun 74	2.1		8.8	21.9	35.4
Japan	Jun 74	1.3		11.2	35.3	11.2
West Germany	May 74	1.2		7.1	14.4	16.6
France	May 74	-0.5		13.2	37.0	37.7
United Kingdom	May 74	2.1		10.9	24.5	35.8
Italy	May 74	0.7		14.5	43.0	35.6
Canada	Apr 74	2.6		11.1	21.0	34.6

INDUSTRIAL PRODUCTION*

	Latest Month	Percent Change from Previous		Average Annual Growth Rate Since		
		Month	Month	1970	1 Year Earlier	3 Months Earlier**
United States	Jun 74	0		4.6	-0.1	2.4
Japan	Jun 74	-2.5		6.6	-0.9	-7.1
West Germany	May 74	1.1		3.5	0	-0.7
France	May 74	2.4		6.1	2.4	-1.1
United Kingdom	May 74	-1.1		2.2	0.2	22.4
Italy	Apr 74	2.2		5.7	13.7	6.6
Canada	May 74	-0.5		6.2	2.6	2.5

CONSUMER PRICES

	Latest Month	Percent Change from Previous		Average Annual Growth Rate Since		
		Month	Month	1970	1 Year Earlier	3 Months Earlier
United States	Jun 74	1.0		6.1	11.1	11.7
Japan	May 74	0.3		11.3	23.1	15.7
West Germany	Jun 74	0.4		6.3	6.9	6.5
France	May 74	1.2		7.9	13.5	17.1
United Kingdom	May 74	1.4		10.5	16.0	25.3
Italy	Jun 74	1.3		9.5	16.6	16.9
Canada	Jun 74	1.3		6.5	11.4	15.5

RETAIL SALES*

Current Prices

	Latest Month	Percent Change from Previous		Average Annual Growth Rate Since		
		Month	Month	1970	1 Year Earlier	3 Months Earlier**
United States	Jun 74	-0.7		9.2	7.6	10.7
Japan	Mar 74	-4.8		11.1	6.6	-1.6
West Germany	Mar 74	-1.3		8.2	5.6	14.6
France	Mar 74	0.8		7.1	9.8	13.8
United Kingdom	Mar 74	1.3		12.0	9.4	6.5
Italy	Dec 73	3.0		17.2	25.5	47.0
Canada	Apr 74	0.3		11.3	10.1	19.3

MONEY SUPPLY*

	Latest Month	Percent Change from Previous		Average Annual Growth Rate Since		
		Month	Month	1970	1 Year Earlier	3 Months Earlier**
United States	Jun 74	0.1		6.8	5.8	10.7
Japan	Apr 74	-0.6		17.4	10.5	16.7
West Germany	Apr 74	0.3		9.1	0.4	9.5
France	Feb 74	-0.3		11.9	9.0	14.9
United Kingdom	May 74	-0.2		9.1	2.5	4.7
Italy	Dec 73	2.6		21.2	17.9	22.1
Canada	May 74	1.3		13.9	13.3	20.3

MONEY-MARKET RATES

		Percent Rate of Interest			
	Representative Rates	Latest Date	1 Year Earlier	3 Months Earlier	1 Month Earlier
			Earlier	Earlier	Earlier
United States	Prime finance paper	Jul 19	9.00	8.13	8.50
Japan	Call money	Jul 5	12.63	7.25	12.00
West Germany	Interbank loans (3 Months)	Jul 19	9.13	14.16	9.40
France	Call money	Jul 12	13.00	8.63	12.00
United Kingdom	Local authority deposits	Jul 19	13.34	8.63	12.93
Canada	Finance paper	Jul 19	11.55	7.53	10.85
Euro-Dollars	Three-month deposits	Jul 19	14.01	9.98	10.64

*Seasonally adjusted.

**Average for latest 3 months compared with average for previous 3 months.

31 July 1974

Office of Economic Research/CIA

Note: US data provided by US government agencies

EXTERNAL ECONOMIC INDICATORS

EXPORTS*

f.o.b.

	Latest Month	Cumulative			
		Million US \$	Million US \$		Percent Change
			1974	1973	
United States	Jun 74	8,357	46,808	32,110	45.1
Japan	Jun 74	4,838	24,818	16,690	47.5
West Germany	Jun 74	8,577	43,043	28,813	44.4
France	Jun 74	4,091	22,251	16,818	31.5
United Kingdom	Jun 74	3,280	17,111	13,613	25.7
Italy	May 74	2,183	11,015	7,508	46.7
Canada	May 74	2,802	12,812	10,077	26.9

EXPORT PRICES

US \$

	Latest Month	Percent Change from Previous			Average Annual Growth Rate Since	
		Month	1970	1 Year Earlier	3 Months Earlier	
		Month	Month	Month	Month	
United States	May 74	-0.2	11.2	26.1	13.2	
Japan	May 74	2.2	17.2	35.9	39.2	
West Germany	Apr 74	5.1	15.1	27.6	102.3	
France	Jan 74	-5.9	11.1	18.9	-35.2	
United Kingdom	Mar 74	7.2	11.0	19.4	48.6	
Italy	Jan 74	-1.2	10.0	19.1	-9.8	
Canada	Mar 74	7.2	14.2	41.3	86.1	

IMPORTS*

f.o.b.

	Latest Month	Cumulative			
		Million US \$	Million US \$		Percent Change
			1974	1973	
United States	Jun 74	8,822	46,871	33,058	41.8
Japan	Jun 74	4,658	28,204	14,190	84.7
West Germany	Jun 74	5,041	30,714	23,330	31.7
France	Jun 74	4,173	24,031	16,303	47.4
United Kingdom	Jun 74	4,422	23,234	15,498	49.9
Italy	May 74	2,868	14,454	8,517	69.7
Canada	May 74	2,635	12,196	9,220	32.0

EXPORT PRICES

National Currency

	Latest Month	Percent Change from Previous			Average Annual Growth Rate Since	
		Month	1970	1 Year Earlier	3 Months Earlier	
		Month	Month	Month	Month	
United States	May 74	-0.2	11.2	26.1	13.2	
Japan	May 74	2.6	9.7	42.8	14.0	
West Germany	Apr 74	1.3	4.4	13.6	31.9	
France	Jan 74	3.2	8.0	17.6	31.3	
United Kingdom	Mar 74	4.2	11.8	26.4	44.5	
Italy	Jan 74	4.9	10.9	31.3	52.2	
Canada	Mar 74	6.6	11.9	37.8	66.8	

TRADE BALANCE*

f.o.b./f.o.b.

		Latest Month	Cumulative (Million US \$)		
		Million US \$	1974	1973	Change
United States	Jun 74	-265	-263	-948	685
Japan	Jun 74	-21	-1,588	2,501	-4,089
West Germany	Jun 74	1,536	12,329	6,483	5,845
France	Jun 74	-82	-1,780	615	-2,395
United Kingdom	Jun 74	-1,141	-8,123	-1,885	-4,238
Italy	May74	-686	-3,439	-1,010	-2,429
Canada	May 74	167	616	856	-242

IMPORT PRICES

National Currency

	Latest Month	Percent Change from Previous			Average Annual Growth Rate Since	
		Month	1970	1 Year Earlier	3 Months Earlier	
		Month	Month	Month	Month	
United States	May 74	1.3	12.9	48.7	79.4	
Japan	May 74	2.5	17.4	82.4	18.4	
West Germany	Apr 74	-0.6	5.9	23.3	19.4	
France	Jan 74	14.9	11.3	33.0	127.4	
United Kingdom	Mar 74	6.4	20.9	60.9	107.4	
Italy	Jan 74	10.8	19.6	95.5	125.4	
Canada	Mar 74	11.9	11.1	53.8	103.0	

BASIC BALANCE**

Current and Long-Term-Capital Transactions

	Latest Period		Cumulative (Million US \$)		
		Million US \$	1973	1972	Change
United States *	74 I	2,065	2,065	-1,006	3,071
Japan	Jun 74	-1,190	-8,401	-4,373	-4,027
West Germany	Apr 74	860	3,253	917	2,336
France	73 IV	-431	-2,471	-369	-2,102
United Kingdom	73 IV	-1,394	-3,164	-1,954	-1,210
Italy	73 II	-336	639	971	-332
Canada	74 I	-195	-195	-191	-4

EXCHANGE RATES

As of 26 Jul 74

	US \$ Per Unit	Percent Change from			
		Dec 66	18 Dec 1971	19 Mar 1973	19 Jul 1974
		1971	1971	1973	1974
Japan (Yen)	0.0034	22.65	4.22	-11.02	-1.57
West Germany (Deutsche Mark)	0.3903	55.25	25.78	10.22	-0.56
France (Franc)	0.2137	5.84	8.53	-3.04	2.00
United Kingdom (Pound Sterling)	2.3925	-14.27	-8.18	-2.78	-0.01
Italy (Lira)	0.0016	-2.62	-9.36	-11.92	0.19
Canada (Dollar)	1.0245	11.07	2.68	2.69	0.38

OFFICIAL RESERVES

	Latest Month		Billion US \$		
	End of	Billion US \$	Jun 1970	1 Year Earlier	3 Months Earlier
United States	Jun 74	14.9	14.5	12.9	14.6
Japan	Jun 74	13.4	4.1	15.2	12.4
West Germany	May 74	34.4	8.8	31.4	32.0
France	Jun 74	8.2	4.4	11.6	8.1
United Kingdom	Jun 74	6.7	2.8	7.0	6.4
Italy	May 74	5.5	4.7	6.2	5.4
Canada	Jun 74	6.1	4.3	6.0	6.1

TRADE-WEIGHTED EXCHANGE RATES***

As of 26 Jul 74

	Dec 66	Percent Change from		
		18 Dec 1971	19 Mar 1973	19 Jul 1974
		1971	1973	1974
United States	-15.95	-6.64	-0.05	0.07
Japan	12.16	-1.44	-13.26	-1.65
West Germany	30.33	13.37	8.35	-1.13
France	-17.26	-3.90	-6.35	2.01
United Kingdom	-34.35	-20.17	-5.79	-0.24
Italy	-25.14	-23.82	-16.91	-0.14
Canada	8.01	1.43	3.06	0.43

*Seasonally adjusted.

**Converted into US dollars at current market rates of exchange.

31 July 1974